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UNCLAS SECTION 01 OF 02 BRASILIA 000598

SIPDIS

SENSITIVE

E.O. 12958: N/A

TAGS: [SENV](#) [PGOV](#) [EAGR](#) [ELAB](#) [SOCI](#) [BR](#)

SUBJECT: NEW ENVIRONMENTAL MEASURES FOR BRAZIL'S AMAZON

REF: A) Brasilia 464, B) Brasilia 437

1. (SBU) Summary: On February 17, 2005 Brazil's Minister of Environment, Marina Silva, announced a presidential decree aimed at combating land grabbing and deforestation in the Amazon. The three-pronged strategy sets up five separate forest reserves totaling 12.8 million acres, places a ban on logging and development activities in a 20 million acre stretch of forest along the BR-163 highway and sends a priority bill to the Brazilian Congress to reform land use under the Administration of Public Forests. These measures come on the heels of a week of surging violence in the state of Para which included the murder of American missionary Dorothy Stang (Refs A and B). Concurrent with these environmental initiatives, Vice President, Jose Alencar, has ordered around 2000 army personnel to the region to support local law enforcement entities. Despite this, we have seen little evidence to date that these measures will be better enforced than existing protections. End Summary

2. (SBU) Para is, in many ways, akin to the popular image of the American "Wild West": isolated, sparsely populated and lawless, with a notable lack of State (federal) presence. Filling the power void are the wealthy landowners, who often obtained their land illegitimately, and their hired guns. Primarily composed of farmers and ranchers (soy and cattle), lumber companies or speculators, these individuals are continually encroaching on the Amazon in search of quick profits. The result is a swath of human and environmental devastation. Speculators, who obtain illegal land titles from corrupt authorities, sell the land to ranchers and timber companies, who then turn out the local population creating a group of landless peasants. These peasants along with migrant workers, at times held in a state of de facto slavery, are used to clear forests for timber or pasture land. These inequities and the ubiquitous greed for more land are fostering a social and environmental catastrophe in the region.

3. (SBU) While the dilemma of land distribution has long been recognized by the GOB, previous attempts to regulate and enforce property ownership and land use have been either inefficient and/or ineffectual. The most recent example of the federal government trying to assert its authority occurred when Incra (National Institute for agrarian reform) passed a decree ordering landowners in the northwest of Para, claiming to own more than 100 hectares, to provide proof of ownership or have their land repossessed. As the deadline approached in January 2005, ranchers and timber companies blockaded major land (the BR-163) and water routes (the Amazon and Tapajos Rivers), halting traffic and commerce. The GOB subsequently retracted the measure, proffering victory for the landed elite of the region.

4. Less than three weeks later Dorothy Stang, an environmentalist and spokesperson for landless peasants, was assassinated. Her murder is indicative of the struggle in Para between peasants and environmentalists and land developers which the CPT, a Catholic Church agrarian watchdog group, claims has taken 161 lives over the last two years.

5. In the wake of the vehement international and domestic criticism which has followed the Stang murder, the government has acted quickly. Moving under the assumption that the social and environmental degradation are wedded, the GOB has addressed the problem by seeking greater control over both property rights and land use. Consequently, the Lula administration announced the following measures:

6. In the first, the Executive announced a moratorium on all logging and resource development/exploitation in a protected forest area along the Western edge of BR-163 which connects Santarem to Cuiaba. This measure will stay in effect for six months, until the government has determined which activities are legal. The decree is a psychological blow to many of parties that aim to profit, via illegal means, from the road being paved. For years, the Mato Grosso soy farming lobby has been driving to have the BR-163 paved. Their goal is to provide a more cost effective, profitable transport route for soy from the south of Para and northern Mato Grosso to Amazon river ports. These interests attained their goal in January 2005 when the GOB granted permission to have the road paved, despite environmentalist concerns

that paving the BR-163 would accelerate Amazonian destruction and exacerbate land disputes. The measure establishes a federal presence in the region where land grabbing has increased with the mere announcement that the road would be paved.

17. The second part of Lula's new environmental package will create an extensive set of forest reserves. Five in total, they include an extractive reserve with more than 800,000 acres, three sets of national forests covering more than 3.75 million acres and a ecological station with more than 8.25 million acres. There is speculation that two more extractive reserves will be created in the coming weeks. All told, these new protected areas will place some of the Amazon's most disputed, at risk lands under the federal government's control.

18. Rounding out these initiatives, the GOB is sending a bill to Congress with expedited, urgent status, to create new rules governing the use and exploitation of public forests. If passed, forest exploration in designated production forests will be authorized by the GOB, similar to the manner in which the U.S. Forest Service (USFS) handles timber sales in our national forests. Concessions will be granted via government sponsored auctions. Those who win the right to harvest timber will be required to follow strict forest management plans. Not only will the GOB garner revenues which would be reinvested into a fund for forest preservation, it will also strengthen its power to authorize land use on private lands. The bill is expected to pass through Congress at some point over the next six months. In an effort to counter "grilagem" (illegal land grabbing), the bill mandates that private individuals will not have the right to buy unclaimed federal land on the Amazon frontier. With respect to USG, GOB bilateral relations, an ongoing agreement between the USFS and the Environment Ministry's National Forest Program which will focus increasingly on the exchange of information and experiences in concession-based forest management and the establishment of a Brazilian Forest Service, lends support to these measures.

19. Concurrent with these measures the federal government has sent 2000 army troops to Para, primarily to reinforce both state and federal law enforcement entities and their operations in the region. Their manifold duties will include helping to combat land disputes, deforestation, environmental crimes, gunmen and petty crime/assaults. From the environmental perspective this will be extremely useful to an agency like IBAMA (federal conservation agency), which has been hampered by its lack of enforcement capacity. While generally viewed positively, the action is very significant. Following the collapse of the military dictatorship in 1985, the GOB and the Army itself have been extremely reluctant to utilize the armed forces in a domestic capacity. In this case, Lula has stated, these troops will stay in the region, "until the problem (violence) is solved."

110. In response to the killing of Dorothy Stang and the subsequent troop mobilization and environmental orders, certain timber and agribusiness interests have condemned these new measures as irrational, emotional and driven by non-Brazilian forces. One environmental engineer noted that, in doing this, the president has placed the logger, agriculturalist, "grileiro" (land grabber) and assassin in the same company. Simultaneously, other industry representatives are praising the measures for attempting to increase stability to the region.

111. (SBU)Comment: In the end, these measures are generally being viewed positively, although with a degree of skepticism. Brazil already possesses some of the most stringent environmental laws anywhere in the world. The problem is a lack of enforcement and effective management of public lands. There exists a huge divide between saying/creating and actually doing. If the government is ready to vigorously implement and enforce these new measures, it would help to reduce the violence and environmental degradation in the region. It would be the first step in reasserting the GOB's authority, which Marina Silva noted, has been absent in the Amazon for more than a century.

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